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FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/07

SPONSOR Park LAST UPDATED _____ HB 490

SHORT TITLE Judge and Hearing Officer Salaries SB _____

ANALYST Sanchez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$3,038.8	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 489, Chief Judge Salary Formula Change, and HB 488, Metro and Magistrate Judge Salary Formula.

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SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

Personnel Board

SUMMARY

Synopsis of Bill

House Bill 490 appropriates \$3,038,839 from the general fund to the department of finance and administration for expenditure in FY 08. This bill will increase the salary of the justices of the Supreme Court to \$131,394. Salary increases will also be provided, pursuant to the provisions of Section 34-1-9 NMSA 1978 and the judicial compensation plan, to judges serving on the court of appeals, district courts, metropolitan court, magistrate courts; child support hearing officers; and special commissioners. The salary increases will be effective the first full pay period after July 1, 2007. Any unexpended or unencumbered balance remaining at the end of FY 07 shall revert to the general fund.

FISCAL IMPLICATIONS

This bill appropriates recurring funds in the amount of \$3,038.839 for increasing salaries to the department of finance and administration. This amount will increase in any year the Legislature raises judicial salaries.

The following chart sets forth the proposed salaries for New Mexico judges:

	No.	Curr. Rate	New Rate	Diff	Benefits	Total
Chief Justice	1	\$ 117,040	\$ 133,394	\$ 16,354	\$ 3,426	\$ 19,780
Justice	4	\$ 115,040	\$ 131,394	\$ 16,354	\$ 3,426	\$ 79,121
Chief Judge COA	1	\$ 111,188	\$ 126,724	\$ 15,536	\$ 3,255	\$ 18,791
COA Judge	9	\$ 109,288	\$ 124,824	\$ 15,536	\$ 3,255	\$ 169,120
Chief District Judge	13	\$ 105,629	\$ 120,388	\$ 14,759	\$ 3,092	\$ 232,071
District Judge	71	\$ 103,824	\$ 118,583	\$ 14,759	\$ 3,092	\$ 1,267,463
Chief Metro Judge	1	\$ 95,066	\$ 108,349	\$ 13,284	\$ 2,783	\$ 16,066
Metro Judge	18	\$ 93,441	\$ 106,725	\$ 13,284	\$ 2,783	\$ 289,196
Presiding Magistrate	2	\$ 71,299	\$ 81,262	\$ 9,963	\$ 1,988	\$ 23,900
Magistrate Judge	63	\$ 70,081	\$ 80,044	\$ 9,963	\$ 1,988	\$ 752,863
Hear Off/Spec Comm	11.5	\$ 83,059	\$ 94,866	\$ 11,808	\$ 3,016	\$ 170,467
Total	195					\$ 3,038,839

SIGNIFICANT ISSUES

The Legislature created the Judicial Compensation Commission, an independent six-member Commission charged with recommending to the Legislative Finance Committee and the Department of Finance and Administration a compensation and benefits plan for New Mexico judges.

In 2006, the Judicial Compensation Commission set a standard formula for use in future years to determine appropriate judicial salaries. The Commission reviewed judge salary data for the 13-state region it used in 2005 to compare judicial salaries. Because of concerns that the 13-state region included states on the Pacific Coast (e.g., California, Alaska and Hawaii) that are not comparable to New Mexico, the Commission concluded that the 13-state region is not the most accurate comparison market for New Mexico judges. To address this concern, the Commission adopted the 9-state region (excluding New Mexico) currently being used by the Hay Group to compare New Mexico state employee salaries as the comparison market as illustrated below:

HAY Comparison States	
	2006 Supreme Court Justice Salary
Texas	\$ 150,000
Arizona	\$ 142,341
Nevada	\$ 140,000
Oklahoma	\$ 131,100
Utah	\$ 125,850
Kansas	\$ 123,590
Colorado	\$ 122,972
Wyoming	\$ 115,300
New Mexico	\$ 115,040
Average of States Excluding NM	\$ 131,394

On November 9, 2006, the Commission submitted its recommendation to DFA and LFC to raise the salary of an associate Supreme Court justice to \$131,394. This bill is consistent with the Judicial Compensation Commission’s Recommendation No. 1.

PERFORMANCE IMPLICATIONS

The courts are participating in performance-based budgeting. It is unknown if enactment of this bill would impact performance measures as they relate to judicial budgeting.

COMPANIONSHIP

HB 489, Chief Judge Salary Formula Changes, and HB 488, Metro and Magistrate Judge Salary Formula.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

CS/mt